GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA

UNSTARRED QUESTION NO:221
ANSWERED ON:18.07.2016
Surrender of LPG Subsidy
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Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether the Government has formulated any scheme to persuade the LPG consumers/well-off section of society in the country to voluntarily give up their LPG subsidy;
(b) if so, the number of such consumers who have surrendered/renounced their subsidy so far, State/UT-wise;
(c) the quantum of subsidy saved as a result of the said move and new LPG connections provided to Below Poverty Line (BPL)/needy and poor families under the said scheme, State/UT-wise; and
(d) whether the Government proposes to do away with LPG subsidies for rich/ higher income bracket people and if so, the criteria fixed by the Government to determine the subsidy formula in this regard?

Answer

MINISTER OF STATE (INDEPENDENT CHARGE) IN THE MINISTRY OF PETROLEUM & NATURAL GAS (SHRI DHARMENDRA PRADHAN)
(a) to (c) Government has launched an initiative to encourage domestic LPG consumers, who can afford to pay the non-subsidised price for LPG, to voluntarily surrender their subsidy. As on 12.07.2016, 1,03,85,136 consumers have voluntarily given up/surrendered LPG subsidy. Details of State/UT-wise number of consumers who have surrendered/renounced their subsidy is at annexure. The approximate annual subsidy saving is likely to be in the range of Rs. 1732 crore (approx.) assuming an average subsidy of Rs. 139 per cylinder for 12 cylinders for the year 2015-16. More than 62 Lakh new LPG connections have been released to BPL families as a part of 'Give Back' campaign utilising CSR funds of OMCs.
(d) Government has decided to rationalize the subsidy outgo by excluding such LPG consumers from the purview of subsidy, who or whose spouse has taxable income of ? 10 lakh and above during the previous financial year computed as per the Income Tax Act, 1961 w.e.f. 1.1.2016.